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C O N F I D E N T I A L SECTION 01 OF 02 ROME 003180

SIPDIS

FROM AMBASSADOR FOR SEC OF AGRICULTURE VENEMAN, STATE U/S LARSON, AND USTR ZOELLICK STATE PASS USTR FOR ZOELLICK STATE PASS USDA FOR OSEC VENEMAN, FAS TERPSTRA, BLUM, SIMMONS, EJONES

E.O. 12958: DECL: 07/11/2013
TAGS: EAGR ECON ETRD PREL TBIO IT WTO
SUBJECT: BIOTECH: CORN CRISIS IN PIEMONTE COULD TEST PRIME
MINISTER'S RESOLVE

REF: MILAN 452

CLASSIFIED BY: AMBASSADOR MEL SEMBLER FOR REASONS 1.5 (B) AND (D).

- ¶1. (U) THIS IS AN ACTION MESSAGE.
- (C) SUMMARY AND ACTION REQUEST. AS WE'VE NOTED PREVIOUSLY, ITALY'S COMPLICATED COALITION ARRANGEMENTS MEAN THAT PM BERLUSCONI IS THE ONLY PERSON WHO CAN CURB AGRICULTURE MINISTER ALEMANNO'S DETERMINED EFFORTS TO CREATE A BIOTECH-FREE ITALY. UP TO THIS POINT, THE PRIME MINISTER HAS BEEN RHETORICALLY SUPPORTIVE OF BIOTECH BUT HAS DONE LITTLE TO REIN IN ALEMANNO, AND WE HAVE LACKED A SPECIFIC ACTION OR PROBLEM WE COULD USE TO TEST THE PRIME MINISTER'S RESOLVE. WE NOW HAVE THE TEST CASE. REGIONAL OFFICIALS' RECENT DECISION TO SEIZE AND POSSIBLY DESTROY CORNFIELDS (REFTEL) HAVE GIVEN US A DISCRETE INCIDENT WE CAN USE TO TEST PRIME MINISTER BERLUSCONI'S AVOWED SUPPORT FOR BIOTECHNOLOGY. COALITION TENSIONS WILL MAKE HIM RELUCTANT TO TACKLE THE ISSUE, AS FORCING HIS AGMINISTER'S HAND NOW WILL RISK ALIENATING THE ALLEANZA NAZIONALE, THE PM'S MOST STABLE COALITION PARTNER. BUT LEFT UNCHALLENGED, THE FIELD SEIZURES (CONDUCTED BECAUSE OF THEIR ALLEGED CONTAMINATION BY BIOTECH SEED) ULTIMATELY COULD JEOPARDIZE A \$15 MILLION MARKET FOR U.S. SEED EXPORTERS. WE HAD HOPED THAT INTERVENTION BY HEALTH MINISTER SIRCHIA WOULD PRECLUDE ADDITIONAL SEIZURES, BUT TODAY'S PRESS REPORTS FROM THE REGION INDICATE THAT DESTRUCTION OF ADDITIONAL FIELDS MAY BE IMMINENT. IT WILL TAKE FIRM ACTION BY PM BERLUSCONI TO REIN IN HIS AGGRESSIVE AGRICULTURE MINISTER AND RESOLVE THIS MATTER DEFINITIVELY--ACTION HE IS LIKELY TO TAKE ONLY IF HE KNOWS IT IS IMPORTANT TO THE U.S. PRESIDENT HIMSELF. THE CORN CRISIS

AGRICULTURE MINISTER AND RESOLVE THIS MATTER
DEFINITIVELY--ACTION HE IS LIKELY TO TAKE ONLY IF HE KNOWS IT
IS IMPORTANT TO THE U.S. PRESIDENT HIMSELF. THE CORN CRISIS
GIVES US A CONCRETE POINT OF DEPARTURE FOR A CONVERSATION
ABOUT BILATERAL BIOTECH ISSUES DURING BERLUSCONI'S VISIT TO
CRAWFORD -- AND SOMETHING THAT WILL REQUIRE THE PM TO OFFER
MORE THAN JUST POSITIVE SENTIMENTS.

- 13. (C) SUMMARY AND ACTION REQUEST CONTINUED: BERLUSCONI'S UPCOMING VISIT TO CRAWFORD GIVES US THE PERFECT VENUE TO PRESS OUR CASE. THE PRIME MINISTER'S TOP ADVISORS ALREADY ANTICIPATE BIOTECH'S INCLUSION ON THE AGENDA. IF THE PIEMONTE AUTHORITIES ARE APPLYING A ZERO TOLERANCE FOR THE ADVENTITIOUS PRESENCE OF BIOTECH EVENTS AS THE BASIS FOR THESE FIELD SEIZURES UNDER THE GUIDANCE OF ALEMANNO, LEAVING HIM UNCHALLENGED COULD COST US IN REAL ECONOMIC TERMS. MOREOVER, ALEMANNO COULD WELL BE POSITIONING ITALY TO DRAW ON THE NEW EU COEXISTENCE PROVISIONS TO EXEMPT ITSELF FROM EU CONSENSUS WHEN THE ILLEGAL MORATORIUM FINALLY ENDS. STRONG ACTION NOW COULD SAVE US FROM A MAJOR BILATERAL PROBLEM DOWN THE LINE. THE PRESIDENT SHOULD ASK THE PRIME MINISTER TO STOP THIS UNWARRANTED SEIZURE AND DESTRUCTION OF FIELDS, AND TO TAKE ACTIVE MEASURES TO END THE EU MORATORIUM. END SUMMARY AND ACTION REQUEST.
- 14. (C) IN A JULY 10 MEETING WITH MINISTER OF HEALTH SIRCHIA, AMBASSADOR AND AGMINCOUNS PRESSED SIRCHIA TO OVERTURN PIEMONTE REGIONAL AUTHORITIES' RECENT DECISION TO SEIZE, AND POSSIBLY DESTROY, AN ADDITIONAL 980 ACRES OF CORNFIELDS BEYOND 25 ACRES ALREADY DESTROYED (SEE REFTEL). REGIONAL AUTHORITIES SEIZED THE FIELDS BECAUSE THEY ALLEGEDLY CONTAINED CORN PLANTS ORIGINATING FROM BIOTECH SEED. WHEN WE FIRST RAISED THE MATTER WITH SIRCHIA ON JULY 4, HE OFFERED TO PRESS THE RELEVANT PIEMONTE OFFICIALS TO OVERTURN THE SEIZURES AND FOREGO ANY ADDITIONAL ONES. SIRCHIA ALSO SAID HE WOULD CONTACT PM BERLUSCONI, ALERT HIM TO THE PROBLEM AND ENLIST HIS SUPPORT IN FORCING THE AGRICULTURE MINISTRY TO STOP ENCOURAGING THESE TYPES OF REGIONAL 'ENFORCEMENT'
- 15. (C) IN HIS RESPONSE, SIRCHIA SAID HE HAD DIRECTED REGIONAL HEALTH AUTHORITIES IN PIEMONTE TO DESIST FROM DESTROYING THE FIELDS SEIZED OR FROM SEIZING ADDITIONAL FIELDS IF TESTING REVEALED THE ADVENTITIOUS PRESENCE OF BIOTECH PLANTS. HE ALSO SAID HE WAS CONVOKING THE RELEVANT OFFICIALS TO ROME FOR A JULY 24 MOH BIOTECH REVIEW COMMITTEE MEETING TO DETERMINE WHAT, IF ANY, ADDITIONAL ACTIONS WOULD BE TAKEN.

16. (C) IN CONTRAST TO SIRCHIA'S ENCOURAGING COMMENTS YESTERDAY, THREE MAJOR ITALIAN DAILIES REPORTED THIS MORNING THAT THE REGIONAL AUTHORITIES (I.E., PIEMONTE GOVERNOR, ENZO GHIGO) ARE PREPARED TO DESTROY THE FIELDS IMMEDIATELY. CONTACT WITH THE MINISTRY OF HEALTH THIS MORNING REVEALED

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LVEMENT OF THE LOCAL MAGISTRATE'S OFFICE IN THE ORDER TO SEIZE AND DESTROY THE FIELDS

- 17. (C) SIRCHIA ALSO PROVIDED THE AMBASSADOR A COPY OF HIS JULY 8 LETTER TO BERLUSCONI (TEXT PARA 9), IN WHICH HE WARNED BERLUSCONI THAT THE SEIZURES AND OTHER ACTIONS BY AG MINISTER ALEMANNO RISKED LEADING ITALY INTO A TRADE DISPUTE WITH THE U.S. THAT WOULD SERIOUSLY UNDERMINE ITALIAN COMMERCIAL INTERESTS. SIRCHIA TOLD THE AMBASSADOR THAT BERLUSCONI'S PERSONAL INTERVENTION WOULD BE NECESSARY TO RESTRAIN ALEMANNO FROM IMPLEMENTING THE EXTREME (EVEN BY EU STANDARDS) ANTI-BIOTECH VISION THE AGMINISTER HAS ADVOCATED CONSISTENTLY WITH GROWING POLITICAL SKILL.
- 18. (C) AMBASSADOR REMINDED SIRCHIA ON JULY 9 THAT ITALY IMPORTS 4 MILLION TONS OF SOYBEANS AND SOYBEAN MEAL, THE BULK OF WHICH IS GENETICALLY-MODIFIED. ALEMANNO'S RHETORIC ABOUT KEEPING ITALY FREE FROM GMO PRODUCTS WAS NOT ONLY FACTUALLY INCORRECT, BUT BLATANTLY PROTECTIONIST AND DECEIVES ITALIAN CONSUMERS. THE AMBASSADOR NOTED THAT THERE WAS STRONG CONGRESSIONAL INTEREST IN BIOTECH ISSUES; WE COULD NOT RULE OUT CONGRESS MOVING AHEAD TO IMPOSE COUNTER-MEASURES IF THE CURRENT TREATMENT OF U.S. PRODUCTS CONTINUED.
- 19. (C) BEGIN INFORMAL EMBASSY TRANSLATION OF SIRCHIA LETTER TO BERLUSCONI:

ROME, JULY 8, 2003

DEAR SILVIO,

I AM WRITING YOU TO DRAW YOUR ATTENTION TO THE MATTER RELATING TO GENETICALLY MODIFIED ORGANISMS, WITH SPECIAL REFERENCE TO THE SEEDS SECTOR.

PRESENTLY, NO LAW HAS BEEN ESTABLISHED TO SET A MAXIMUM TOLERANCE LEVEL FOR THE POSSIBLE ADVENTITIOUS PRESENCE OF GMOS IN SEEDS USED FOR CORN AND SOYBEAN CROPS.

THE ADVENTITIOUS PRESENCE OF GMOS IS TO BE ASCRIBED TO THE ACCIDENTAL COMBINATION OF CROPS CONTAINING GENETICALLY MODIFIED ORGANISMS LEGALLY AUTHORIZED IN THE EUROPE AND THE UNITED STATES.

IN SPITE OF THE ABOVE, SOME REGIONS AND THE MINISTRY OF AGRICULTURE ITSELF, RESPONSIBLE FOR THE SEEDS SECTOR, SHOW NO TOLERANCE FOR BIOTECHNOLOGIES AND GMOS WITH CONSEQUENT NEGATIVE IMPACT ON THE AGRO-FOOD SECTOR.

PENDING THE EUROPEAN REGULATIONS ON LABELING AND TRACEABILITY, AN ATTITUDE OF THIS KIND IS ONLY CREATING PROBLEMS IN THE RELATIONSHIP WITH THE UNITED STATES OF AMERICA. TOMORROW, THE AMBASSADOR OF THE UNITED STATES OF AMERICA, MEL SEMBLER, AND THE MINISTER-COUNSELOR FOR AGRICULTURAL AFFAIRS, LISA HARDY-BASS, WILL BE MEETING WITH ME TO DELIVER A FORMAL PROTEST ON BEHALF OF THE U.S. GOVERNMENT, AS WAS ANTICIPATED BY SECRETARY OF HEALTH AND HUMAN SERVICES TOMMY THOMPSON LAST JUNE IN WASHINGTON. THEIR REQUEST IS FOR YOUR ACTION, NOT SO MUCH MINE, TO AVOID UNPLEASANT CONSEQUENCES THAT COULD HIGHLY COMPROMISE OUR TRADE RELATIONS WITH THE UNITED STATES, INCLUDING RETALIATION FOR SOME PRODUCTS.

I AM WELL AWARE OF HOW DIFFICULT THIS PROBLEM IS, BUT I AM CONVINCED THAT YOUR INTERVENTION MAY CONTRIBUTE TO THE SOLUTION OF THIS PROBLEM.

(COMPLIMENTARY CLOSING)

SEMBLER

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